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UNIVERSITY OF VIRGINIA
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Virginia Annual Gross State Product, 1958-1985

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This report presents estimates of Virginia gross state product (GSP) over the 1958-1985 period. Latest in an annual series, this report provides information for 1985 and revisions for previous years. Readers familiar with earlier issues of this series will note major revisions in some earlier estimates. This is because the national income and product accounts, on which the GSP figures are based, underwent a benchmark revision last year. As a consequence, inflation-adjusted figures were set at a scale of 1982 dollars.

Gross state product is the term applied to the value of all final goods and services produced in a state in a given year.[1] For purposes of comparison, one can assume GSP to be the state's equivalent of gross national product (GNP). However, since data are lacking for all income earned by Virginia residents outside the state, and for all income earned within Virginia by nonresidents, GSP more closely resembles the gross domestic product (GDP), a measure of output produced within the boundaries of the nation. Since GNP and GDP are nearly identical in the United States, gross state product is usually compared to GNP.[2]

Virginia gross state product in current dollars (unadjusted for inflation) rose to over $95 billion in 1985 (see Table 1), which showed a rise of about $7.7 billion over 1984. In the 1958-1985 period, GSP increased at an annual rate of 9.4 percent.[3] During this same period, GNP in current dollars rose by an annual average of 8.4 percent. From 1984 to 1985, GSP grew 8.8 percent, greater than the 6.1 percent rise in GNP.

Virginia GSP in constant 1982 dollars (gross state product converted to a constant purchasing power based on 1982 dollars) grew from $29.2 billion in 1958 to $84.7 billion in 1985 (see Table 2). This represented an average annual growth of 3.8 percent over the period (see Figure 1). GNP increased by an average of 3.0 percent over the same period. Except for the recessions of 1969-1970 and 1974-1975, Virginia experienced no declines. From 1984 to 1985 real GSP grew 5.1 percent, about double the 2.7 rise in real GNP.

Virginia's current dollar GSP as a percent of GNP is shown in Figure 2. When the rate of growth of GSP exceeds that of GNP, Virginia's share of GNP increases. Since 1958, the percentage has grown from 1.81 percent to 2.38 percent in 1985. The figure has risen rapidly in recent years.

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[1]Some confusion may arise in the reader's mind as to what constitutes a "final goods." In this report, final goods refer to all products that are not used as inputs for other products and to all products exported outside the state.

[2]John W. Kendrick and C. Milton Jaycox, "The Concept and Estimation of Gross State Product," *The Southern Economic Journal* 32 (October 1965), pp. 154-155. In 1985, gross domestic product was 99.0 percent of GNP.

[3]All growth rates were computed using the least squares method.

Figure 1.
Virginia Gross State Product, 1958-1985 (billions of 1982 constant dollars)

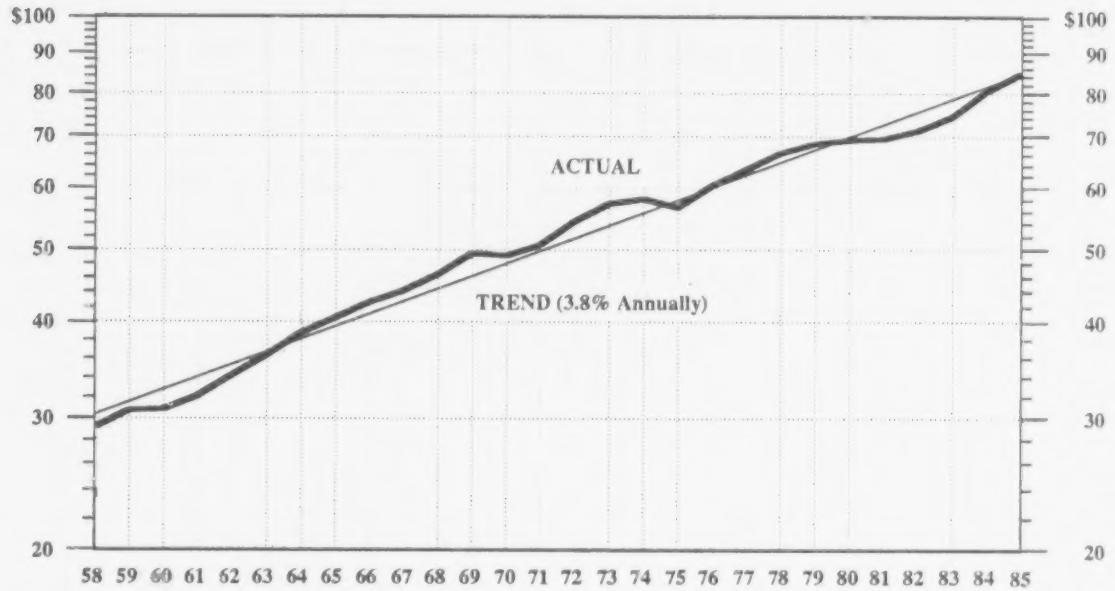
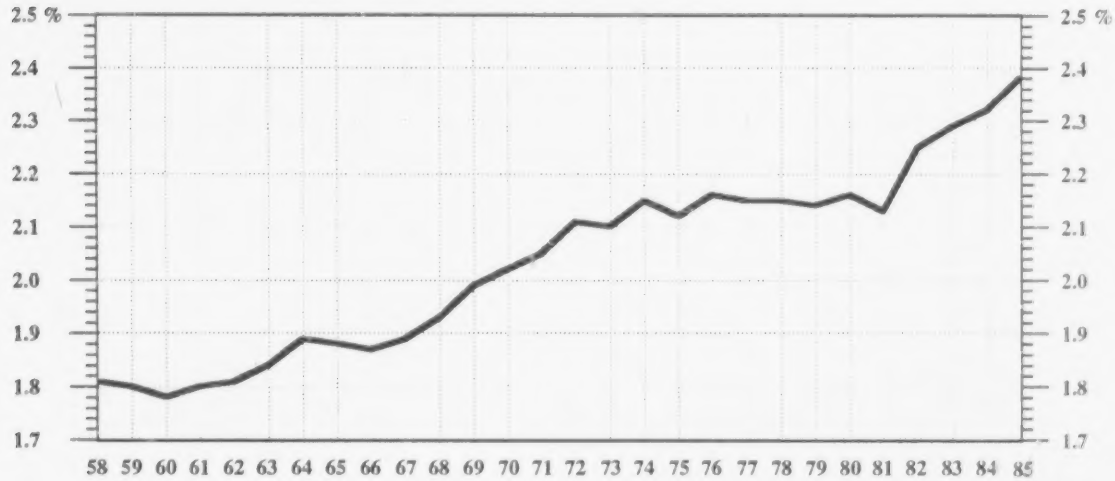
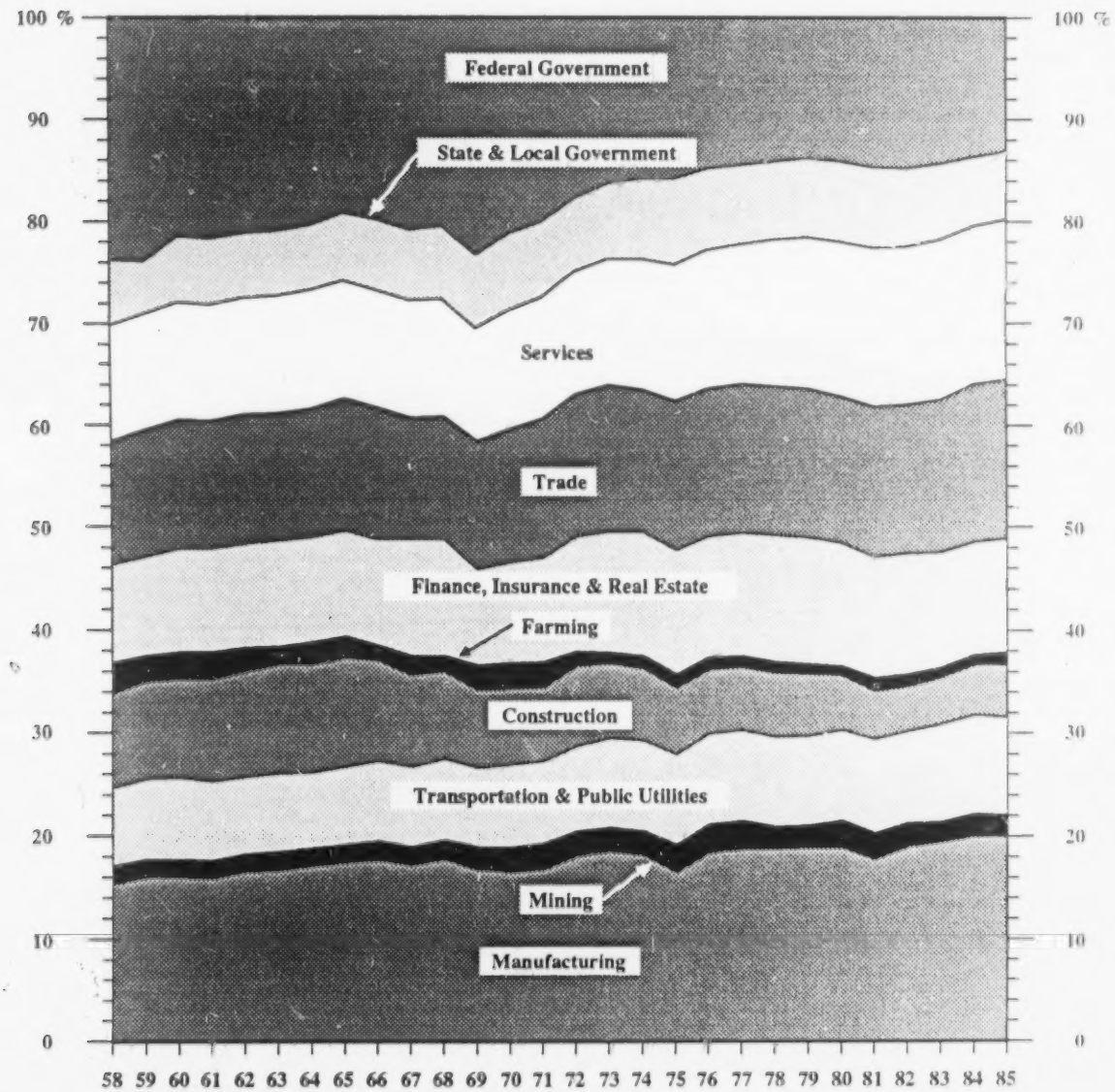


Figure 2.
Virginia GSP as a Percent of GNP, 1958-1985 (current dollars)



The changes in industrial shares of GSP based on constant 1982 dollars provide a good picture of how Virginia's economy has changed over the 1958-85 period (see Figure 3). Finance, insurance and real estate, state and local government, and mining have maintained a more or less constant share of GSP. Construction, farming, and federal government have not grown as fast as the overall state economy and have claimed smaller shares. The relative standing of the federal government rose during the 1966-69 period due to the military buildup that accompanied the Vietnam War, but has fallen considerably since then. The sectors that have risen the most include manufacturing, services, wholesale and retail trade, and transportation and public utilities.

Figure 3.
Industrial Shares of Virginia GSP, 1958-1985 (constant 1982 dollars)



The changes in Virginia's economy in most instances mirror the long-term changes in the U.S. economy. In manufacturing, the increase in its share has been more pronounced than the U.S. because traditional manufacturing centers in the Northeast and Midwest have declined during the same time as new manufacturing centers were rising in the south. These figures will not mirror changes in employment for each sector, since figures on output will be affected by the productivity of labor. For mining, the concentration of coal mining in the Virginia figure has kept that share from falling as it has nationally because of declining production of oil and gas.

When 1985 industrial shares of GSP are viewed in terms of current dollars, the positions remain basically unchanged. Manufacturing, services, wholesale and retail trade, federal government, and finance, insurance, and real estate have the largest shares. Construction, farming, state and local government, mining, and transportation and public utilities each account for less than 10 percent of GSP.

Per capita gross state product in current dollars stood at $16,675 in 1985, 99.6 percent of per capita GNP (see Table 4). Virginia per capita GSP as a percent of the U.S. has been rising constantly since 1981, and since 1958 is up from 80.3 percent. Measured in 1982 dollars, Virginia per capita GSP is 98.8 percent of the U.S. figure.

Gross farm product, a component of Virginia gross state product, is derived from the U.S. Department of Agriculture's state farm income statistics for Virginia. This is accomplished by subtracting intermediate production expenses from the value of total farm output. Government payments are omitted from the value of farm output. In addition, farm wages are not included as production expenses and therefore are considered part of gross state product. The following table illustrates the computation of Virginia gross farm product for 1985 (current dollars).

Value from total farm output (millions of dollars)	
Cash receipts from marketing	$1,627.3
Nonmonetary income	269.4
Other farm income	87.5
Net changes in inventories	33.1
Subtotal	2,017.3
Less intermediate production expenses	
Feed	332.7
Livestock purchased	56.2
Seed, plants, and bulbs	34.4
Fertilizer and lime	115.6
Repairs/operation of capital items	237.7
Miscellaneous operating expenses	297.1
Subtotal	1,073.7
Gross farm product	943.6

A detailed statement of the methodology used for all industrial sectors is available upon request.

Table 1.
Virginia Gross State Product in Current Dollars, 1958-1985 (millions of dollars)

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Federal Government	State and Local Government	Manufacturing	Mining	Services[a]	Trade	Transportation and Public Utilities
1958	$8,249.7	$ 395.7	$ 382.6	$ 950.6	$1,308.2	$ 425.4	$1,842.9	$117.1	$ 843.3	$1,185.5	$ 798.3
1959	8,933.9	429.9	326.9	1,024.5	1,400.9	453.4	2,072.4	119.3	926.7	1,313.8	866.1
1960	9,172.6	441.0	347.9	1,085.8	1,341.5	494.8	2,113.5	118.1	975.4	1,355.7	899.0
1961	9,594.2	489.0	353.4	1,147.6	1,410.2	536.5	2,183.2	120.0	1,027.2	1,411.1	915.9
1962	10,391.3	546.9	353.5	1,234.4	1,494.4	593.5	2,427.1	121.5	1,123.8	1,524.4	971.8
1963	11,175.4	627.6	269.9	1,363.5	1,685.4	647.4	2,562.4	135.4	1,230.0	1,616.9	1,036.8
1964	12,304.0	688.2	355.2	1,461.8	1,863.7	721.9	2,803.5	151.1	1,358.3	1,795.3	1,104.9
1965	13,250.8	768.3	353.6	1,581.8	1,929.6	804.9	3,051.5	147.5	1,468.0	1,953.5	1,192.2
1966	14,415.1	812.5	306.9	1,725.9	2,197.0	919.3	3,304.2	162.3	1,607.2	2,095.1	1,284.7
1967	15,460.1	817.6	355.6	1,848.0	2,488.5	1,021.4	3,403.7	168.5	1,748.8	2,252.6	1,355.3
1968	17,222.9	898.1	337.3	2,012.1	2,838.1	1,197.3	3,854.7	178.6	1,934.1	2,510.8	1,462.0
1969	19,228.6	996.7	373.8	2,189.9	3,671.4	1,380.0	3,982.1	204.9	2,111.6	2,750.8	1,567.4
1970	20,523.2	1,100.6	386.5	2,382.7	3,742.1	1,556.4	4,060.0	287.9	2,335.1	2,956.8	1,715.1
1971	22,562.8	1,239.7	383.9	2,684.4	4,068.2	1,685.7	4,387.8	309.2	2,606.2	3,296.4	1,901.3
1972	25,566.5	1,600.9	468.2	2,997.9	4,375.9	1,882.8	5,102.3	341.7	2,937.2	3,708.4	2,151.0
1973	28,576.4	1,710.1	623.2	3,454.3	4,495.9	2,202.2	5,594.6	400.4	3,418.8	4,262.9	2,413.9
1974	31,623.6	1,861.8	627.0	3,783.6	4,870.7	2,484.3	6,059.4	760.9	3,876.0	4,667.4	2,632.5
1975	33,863.3	1,869.5	603.6	3,914.0	5,214.6	2,837.9	6,126.8	898.9	4,308.1	5,223.2	2,866.6
1976	38,423.6	2,050.7	601.5	4,320.0	5,656.9	3,139.6	7,572.8	998.1	5,009.4	5,792.5	3,282.2
1977	42,856.0	2,308.5	558.9	5,078.4	6,115.5	3,378.7	8,576.2	1,060.7	5,701.7	6,411.3	3,666.2
1978	48,433.9	2,715.8	805.5	5,953.2	6,695.8	3,769.7	9,484.8	1,022.4	6,699.1	7,244.9	4,042.6
1979	53,745.3	3,122.0	853.1	6,617.7	7,224.5	4,160.2	10,385.4	1,140.8	7,790.8	8,098.4	4,352.4
1980	59,113.7	3,174.8	696.9	7,076.6	8,084.5	4,604.8	11,362.9	1,589.4	8,849.4	8,723.4	4,951.0
1981	65,071.6	3,018.6	1,027.8	7,682.9	9,410.2	5,080.2	11,731.7	1,769.5	9,882.9	9,746.5	5,721.4
1982	71,184.3	3,016.7	872.4	8,342.3	10,483.1	5,500.4	13,527.1	1,661.9	10,948.2	10,455.3	6,376.9
1983	77,860.3	3,484.0	750.6	9,078.3	11,191.8	5,897.3	14,684.5	1,484.4	12,339.7	11,527.0	7,422.6
1984	87,451.4	4,178.9	908.3	10,013.5	12,104.6	6,307.0	16,508.3	1,894.7	13,896.5	13,184.1	8,455.6
1985	95,144.8	4,842.2	943.6	11,130.0	12,872.4	6,962.6	17,355.4	1,831.7	15,634.7	14,331.2	9,240.9

Sources: **Earnings**: U.S. Department of Commerce, Bureau of Economic Analysis, *State Personal Income: 1929-82* (Washington, D.C.: GPO, 1984), pp. 32-33, 192-193 (Table 8); U.S. Depart. of Com., BEA, "Personal Income by Major Source and Earnings by Industry" (machine-readable microfiche, 1986). **Gross National Product:** U.S. Depart. of Com., BEA, unpublished data, September 15, 1986. **Manufacturing Adjustment**: U.S. Depart. of Com., Bureau of the Census, *1982 Census of Manufacturers*, Subject Series, General Summary (Washington, D.C.: GPO, 1986), pp. 130-132; U.S. Depart. of Com., Bureau of the Census, *Annual Survey of Manufactures* (selected editions). **Agriculture**: U.S. Depart. of Agriculture, Economic Research Service, *Economic Indicators of the Farm Sector, State Income, and Balance Sheet Statistics, 1985* (Washington, D.C.: GPO, 1986); unpublished revisions and historical cost figures from the U.S. Depart. of Agriculture, Economic Research Services.

[a]Includes agric. services, forestry and fisheries, and "rest of the world," which includes operations of foreign governments, and international organizations in the United States.

Note: Details may not add to totals due to rounding.

Table 2.
Virginia Gross State Product in Constant Dollars, 1958-1985 (millions of 1982 dollars)

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Federal Government	State and Local Government	Manufacturing	Mining	Services[a]	Trade	Transportation and Public Utilities
1958	$29,207.2	$2,673.7	$862.2	$2,779.6	$6,958.3	$1,849.5	$4,495.0	$ 520.3	$3,314.4	$3,542.9	$2,211.4
1959	30,789.2	2,904.5	790.9	2,944.1	7,039.8	1,897.1	4,934.2	559.3	3,507.9	3,838.6	2,372.9
1960	30,955.9	2,959.8	838.5	3,075.8	6,641.1	1,979.2	4,961.2	559.1	3,584.9	3,926.5	2,429.8
1961	32,083.6	3,196.1	850.6	3,205.6	6,946.9	2,063.3	5,112.9	573.8	3,693.8	4,004.5	2,436.0
1962	34,096.5	3,483.4	817.0	3,419.4	7,184.4	2,174.1	5,631.3	607.1	3,916.7	4,312.3	2,550.7
1963	36,224.0	3,850.3	623.9	3,715.5	7,557.7	2,287.6	6,057.8	669.9	4,204.7	4,535.5	2,721.2
1964	38,754.7	4,048.5	862.7	3,908.5	7,863.7	2,480.7	6,627.8	696.0	4,511.4	4,900.3	2,855.1
1965	40,640.3	4,292.1	829.8	4,151.6	7,780.6	2,691.9	7,113.0	709.7	4,704.0	5,286.9	3,080.7
1966	42,657.2	4,166.6	620.3	4,380.3	8,450.1	2,918.5	7,561.2	774.8	4,918.7	5,547.0	3,319.6
1967	44,058.9	3,930.7	806.0	4,518.4	9,182.6	3,013.1	7,580.7	818.2	5,092.5	5,702.9	3,413.8
1968	46,320.1	3,921.7	707.0	4,756.6	9,460.3	3,307.4	8,254.1	874.9	5,331.0	6,079.3	3,627.7
1969	49,490.4	3,761.1	730.4	5,045.9	11,509.0	3,556.7	8,313.3	1,063.9	5,476.4	6,238.5	3,795.2
1970	49,028.7	3,596.7	744.8	5,236.7	10,365.8	3,688.2	8,152.6	1,136.4	5,730.0	6,425.4	3,951.9
1971	50,574.7	3,572.6	732.0	5,592.5	10,145.2	3,746.0	8,503.5	1,267.2	6,017.0	6,892.2	4,106.4
1972	54,145.5	4,235.2	773.6	6,020.0	9,575.3	3,930.7	9,793.4	1,328.3	6,463.7	7,571.9	4,453.4
1973	57,207.0	4,140.7	609.9	6,668.6	9,250.8	4,276.2	10,656.4	1,323.8	7,072.7	8,261.4	4,946.5
1974	58,180.5	4,056.2	741.0	6,980.9	9,224.9	4,550.1	10,593.3	1,407.9	7,441.9	8,112.2	5,072.2
1975	56,601.7	3,651.5	722.3	6,842.6	8,975.2	4,745.7	9,382.6	1,495.0	7,533.7	8,267.7	4,985.4
1976	60,296.6	3,762.7	687.3	7,081.9	8,908.6	4,860.1	11,103.8	1,744.7	8,111.8	8,775.9	5,259.9
1977	63,201.2	3,892.9	666.3	7,568.3	9,141.2	4,903.8	11,894.9	1,761.1	8,643.0	9,224.8	5,504.8
1978	66,374.5	4,152.6	762.5	8,077.7	9,377.8	5,121.9	12,496.4	1,460.6	9,459.5	9,739.4	5,726.1
1979	68,300.3	4,124.2	671.6	8,366.2	9,394.7	5,320.0	12,885.1	1,557.3	10,097.3	9,978.4	5,905.6
1980	69,063.3	3,726.3	616.6	8,200.0	9,752.2	5,423.8	13,015.9	1,896.8	10,427.8	9,973.5	6,030.4
1981	69,439.2	3,214.7	943.1	8,104.3	10,151.2	5,540.1	12,336.2	1,834.2	10,769.3	10,258.8	6,287.3
1982	71,184.3	3,016.7	872.4	8,342.3	10,483.1	5,500.4	13,527.1	1,661.9	10,948.2	10,455.3	6,376.9
1983	74,557.2	3,432.5	736.4	8,275.6	10,709.9	5,521.8	14,524.7	1,506.6	11,646.6	11,227.0	6,976.1
1984	80,472.0	3,905.5	805.7	8,783.8	10,914.8	5,542.2	16,105.6	1,835.1	12,456.2	12,484.7	7,638.3
1985	84,653.1	4,335.0	995.1	9,306.0	11,077.8	5,730.5	16,948.6	1,801.5	13,232.0	13,246.4	7,980.1

Sources: The sources cited in Table 1; U.S. Department of Agriculture, Statistical Reporting Service, Crop Reporting Board, *Agricultural Prices, 1985 Summary* (Washington, D.C.: GPO, 1986); and selected earlier editions.

[a]Includes agric. services, forestry and fisheries, and "rest of the world," which includes operations of foreign governments, and international organizations in the United States.

Note: Details may not add to totals due to rounding.

Table 3.
Percentage Distribution of Virginia Gross State Product, 1958-1985 (1982 constant dollars)

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Federal Government	State and Local Government	Manufacturing	Mining	Services	Trade	Transportation and Public Utilities
1958	100.0%	9.15%	2.95%	9.52%	23.82%	6.33%	15.39%	1.78%	11.35%	12.13%	7.57%
1959	100.0	9.43	2.57	9.56	22.86	6.16	16.03	1.82	11.39	12.47	7.71
1960	100.0	9.56	2.71	9.94	21.45	6.39	16.03	1.81	11.58	12.68	7.85
1961	100.0	9.96	2.65	9.99	21.65	6.43	15.94	1.79	11.51	12.48	7.59
1962	100.0	10.22	2.40	10.03	21.07	6.38	16.52	1.78	11.49	12.65	7.48
1963	100.0	10.63	1.72	10.26	20.86	6.32	16.72	1.85	11.61	12.52	7.51
1964	100.0	10.45	2.23	10.09	20.29	6.40	17.10	1.80	11.64	12.64	7.37
1965	100.0	10.56	2.04	10.22	19.15	6.62	17.50	1.75	11.57	13.01	7.58
1966	100.0	9.77	1.45	10.27	19.81	6.84	17.73	1.82	11.53	13.00	7.78
1967	100.0	8.92	1.83	10.26	20.84	6.84	17.21	1.86	11.56	12.94	7.75
1968	100.0	8.47	1.53	10.27	20.42	7.14	17.82	1.89	11.51	13.12	7.83
1969	100.0	7.60	1.48	10.20	23.26	7.19	16.80	2.15	11.07	12.61	7.67
1970	100.0	7.34	1.52	10.68	21.14	7.52	16.63	2.32	11.69	13.11	8.06
1971	100.0	7.06	1.45	11.06	20.06	7.41	16.81	2.51	11.90	13.63	8.12
1972	100.0	7.82	1.43	11.12	17.68	7.26	18.09	2.45	11.94	13.98	8.22
1973	100.0	7.24	1.07	11.66	16.17	7.47	18.63	2.31	12.36	14.44	8.65
1974	100.0	6.97	1.27	12.00	15.86	7.82	18.21	2.42	12.79	13.94	8.72
1975	100.0	6.45	1.28	12.09	15.86	8.38	16.58	2.64	13.31	14.61	8.81
1976	100.0	6.24	1.14	11.75	14.77	8.06	18.42	2.89	13.45	14.55	8.72
1977	100.0	6.16	1.05	11.97	14.46	7.76	18.82	2.79	13.68	14.60	8.71
1978	100.0	6.26	1.15	12.17	14.13	7.72	18.83	2.20	14.25	14.67	8.63
1979	100.0	6.04	0.98	12.25	13.75	7.79	18.87	2.28	14.78	14.61	8.65
1980	100.0	5.40	0.89	11.87	14.12	7.85	18.85	2.75	15.10	14.44	8.73
1981	100.0	4.63	1.36	11.67	14.62	7.98	17.77	2.64	15.51	14.77	9.05
1982	100.0	4.24	1.23	11.72	14.73	7.73	19.00	2.33	15.38	14.69	8.96
1983	100.0	4.60	0.99	11.10	14.36	7.41	19.48	2.02	15.62	15.06	9.36
1984	100.0	4.85	1.00	10.92	13.56	6.89	20.01	2.28	15.48	15.51	9.49
1985	100.0	5.12	1.18	10.99	13.09	6.77	20.02	2.13	15.63	15.65	9.43

Source: The sources cited in Table 2.

Note: Details may not add to totals due to rounding.

Table 4.
Virginia GSP Per Capita and GNP Per Capita, 1958-1985
(current and 1982 constant dollars)

	Current Dollars			1982 Constant Dollars		
Year	Virginia Per Capita	U.S Per Capita	Virginia as a % of U.S.	Virginia Per Capita	U.S. Per Capita	Virginia as a % of U.S.
1958	$2,107	$2,623	80.3%	$7,461	$8,839	84.4%
1959	2,261	2,799	80.8	7,793	9,198	84.7
1960	2,301	2,815	81.7	7,766	9,254	83.9
1961	2,343	2,867	81.7	7,834	9,339	83.9
1962	2,486	3,094	80.3	8,157	9,690	84.2
1963	2,613	3,167	82.5	8,471	9,942	85.2
1964	2,824	3,338	84.6	8,894	10,328	86.1
1965	3,004	3,645	82.4	9,213	10,791	85.4
1966	3,235	3,949	81.9	9,573	11,297	84.7
1967	3,429	4,137	82.9	9,773	11,509	84.9
1968	3,779	4,479	84.4	10,162	11,870	85.6
1969	4,167	4,789	87.0	10,726	12,038	89.1
1970	4,404	4,983	88.4	10,521	11,856	88.7
1971	4,747	5,331	89.0	10,641	12,014	88.6
1972	5,295	5,795	91.4	11,215	12,465	90.0
1973	5,824	6,432	90.6	11,659	12,983	89.8
1974	6,352	6,904	92.0	11,687	12,794	91.3
1975	6,697	7,419	90.3	11,194	12,508	89.5
1976	7,486	8,195	91.4	11,748	12,993	90.4
1977	8,233	9,058	90.9	12,141	13,463	90.2
1978	9,166	10,129	90.5	12,561	14,026	89.6
1979	10,094	11,169	90.4	12,828	14,215	90.2
1980	11,012	12,022	91.6	12,866	14,025	91.7
1981	11,957	13,293	89.9	12,760	14,147	90.2
1982	12,969	13,647	95.0	12,969	13,647	95.0
1983	14,006	14,537	96.4	13,412	13,996	95.8
1984	15,517	15,920	97.5	14,278	14,757	96.8
1985	16,675	16,747	99.6	14,836	15,017	98.8

Source: Tables 1 and 2 and unpublished July 1 population estimates from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Measurement Division.

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